

## Message Text

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ACTION IO-14

INFO OCT-01 AF-10 ARA-14 EA-12 EUR-12 NEA-10 ISO-00  
AID-05 EB-08 STR-07 COME-00 LAB-04 SIL-01 TRSE-00  
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R 241627Z APR 78  
FM AMEMBASSY VIENNA  
TO SECSTATE WASHDC 6087

UNCLAS SECTION 01 OF 02 VIENNA 03825

UNIDO

E.O 11652:N/A  
TAGS EIND, OCON, UNIDO  
SUBJECT: UNIDO INDUSTRIAL DEVELOPMENT BOARD, TWELFTH  
- SESSION, (IDB-XII): AGENDA ITEM 11, REDEPLOYMENT  
- OF INDUSTRIES

1. ID/B/199, NOTE ON REDEPLOYMENT OF INDUSTRIES FROM  
DEVELOPED TO DEVELOPING COUNTRIES: STUDIES UNDERTAKEN BY  
UNIDO, IS BEING SUBMITTED BY THE SECRETARIAT THROUGH THE  
BOARD TO THE GENERAL ASSEMBLY IN RESPONSE TO UNGA RES.  
31/163. THE DOCUMENT CONTAINS TWO MAJOR SECTIONS:  
MEASURES CONSIDERED AND TAKEN BY GOVERNMENTS AND STUDIES  
UNDERTAKEN BY UNIDO.

2. THE FIRST SECTION IS A FOLLOW-UP TO THE BASIC THRUST  
OF LAST YEAR'S REPORT (ID/B/190) TO IDB-XI WHICH AIMED AT  
ATTEMPTING A DEFINITION OF REDEPLOYMENT. THIS YEAR'S  
REPORT NOTES:

-- MANY DEVELOPING COUNTRIES CONSIDERED THAT REDEPLOY-  
MENT SHOULD BE BASED ON A NEW INTERNATIONAL DIVISION  
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OF LABOR AND URGED DEVELOPED COUNTRIES GOVERNMENTS  
TO ADOPT POLICIES TO PROMOTE REDEPLOYMENT.

-- MOST DEVELOPED MARKET ECONOMY COUNTRIES FELT THAT  
REDEPLOYMENT SHOULD BE PART OF AN "EVOLUTIONARY  
ECONOMIC RESTRUCTURING PROCESS....IN RESPONSE TO  
MARKET FORCES RATHER THAN THE RESULT OF PLANNED

ACTION OR NEGOTIATION BY GOVERNMENTS."

-- THE CENTRALLY PLANNED ECONOMY COUNTRIES WERE NOT CONCERNED.

3. THE SECOND MAJOR SECTION DEALS WITH STUDIES ON REDEPLOYMENT POTENTIAL, STUDIES ON STRUCTURAL CHANGES, AND STUDIES ON IMPLICATIONS OF REDEPLOYMENT FOR DEVELOPING COUNTRIES.

-- REDEPLOYMENT POTENTIAL. SIGNIFICANT INTEREST WAS FOUND AMONG INDUSTRIALISTS TO REDEPLOY CERTAIN SECTORS OF THEIR COMPANIES, BUT THIS INTEREST WAS RESERVED PRIMARILY FOR THOSE DEVELOPING COUNTRIES WITH A RELATIVELY HIGH STAGE OF INDUSTRIALIZATION.

-- STRUCTURAL CHANGES. UNIDO HAS INITIATED A SERIES OF INVESTIGATIONS ON "LIKELY FUTURE STRUCTURAL CHANGES" IN SELECTED DEVELOPED COUNTRIES. (COMMENT: THE DESCRIPTION OF THIS ACTIVITY IN PARAS 21-22 IS VAGUE IN THE EXTREME. U.S.DEL MIGHT REQUEST CLARIFICATION OF NATURE, PURPOSE AND STATUS OF THESE STUDIES.)

-- IMPLICATIONS OF REDEPLOYMENT: WHEREAS ANY DECISION TO REDEPLOY IS LARGELY MADE BY THE REDEPLOYING INDUSTRY, THE PROCESS IS CONDITIONED BY POLICY DECISIONS OF UNCLASSIFIED

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THE HOST GOVERNMENT, A ROLE WHICH THE GOVERNMENTS OF MANY DEVELOPING COUNTRIES ARE SINGULARLY UNEQUIPPED TO UNDERTAKE.

4. THE CASTING OF THIS DOCUMENT CLEARLY REFLECTS THE SECRETARIAT'S AWARENESS THAT REDEPLOYMENT IS A TOPIC TO BE HANDLED GINGERLY. IN A CONCLUDING STATEMENT (PARA 35), THE DOCUMENT PROVIDES A BROAD DEFINITION OF THIS ACTIVITY, WHICH COULD ENCOMPASS BOTH PRIVATE ENTERPRISE COOPERATION AND INTERGOVERNMENTAL ARRANGEMENTS. THE DEVELOPMENT OF A "COOPERATIVE SPIRIT (IN) THE INTERNATIONAL COMMUNITY" IS STRESSED.

5. MISSION SUGGESTS U.S.DEL:

-- REITERATE USG'S PERCEPTION OF THE CONCEPT OF REDEPLOYMENT AS A COMPONENT OF THE CONTINUOUS EVOLUTIONARY RESTRUCTURING TAKING PLACE IN THE WORLD ECONOMY IN RESPONSE TO MARKET FORCES.

-- EXPRESS AGREEMENT WITH SECRETARIAT'S BROAD DEFINITION OF THIS CONCEPT, CITING AS WELL THAT CONTAINED IN THE

EX-DIR'S ANNUAL REPORT (VIENNA 3756, PARA 9C).

-- ENCOURAGE THE SECRETARIAT TO CONTINUE ITS STUDIES OF IDENTIFYING SECTORS IN DEVELOPING COUNTRIES WHICH WOULD BE RECEPTIVE TO INDUSTRIAL COOPERATION PROJECTS, AND REQUEST CLARIFICATION OF HOW THESE STUDIES LINK UP WITH ACTIVITIES OF THE INVESTMENT COOPERATIVE PROGRAM OFFICE.

-- AGREE THAT THIS REPORT MAY BE FORWARDED TO THE GENERAL ASSEMBLY.

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-----041063 241724Z /50

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FM AMEMBASSY VIENNA  
TO SECSTATE WASHDC 6088

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-- WELCOME THE SECRETARIAT'S INTENTION TO CONTINUE TO REPORT REGULARLY TO THE BOARD ON PERTINENT ISSUES.  
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## Message Attributes

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